

Appendix A

CREDIT CARD TRAINING PROGRAM INSTRUCTIONAL LEARNING OBJECTIVES

At the conclusion of the course, the student will be able to:

Establish and administer a credit card account and purchase supplies and services up to \$2500 in conformance with the requirements of the Federal Acquisition Regulation (FAR).

Topic A - Overview of the Governmentwide Commercial Credit Card Service

Define the concept of the service. Describe the objectives of the program

Topic B - Account Set up and Card Usage

Describe in general terms agency responsibilities to establish accounts. State the specific items which are checked during the merchant's authorization process. Discuss the supplies and services which are prohibited or regulated for purchase.

Topic C - Required Sources of Supplies and Services (FAR Part 8)

Describe the priority sequencing of the required sources of supplies and services.

Topic D - Micro Purchases (FAR Part 13)

Describe fair and reasonable price determination using simplified acquisition procedures, limitations of the program, and authorization required.

Topic E - Processing the Purchase

Discuss oral and telephonic procedures and checklist for expendable, nonexpendable and service requirements.

Topic F - Billing and Reconciliation Procedures

Discuss responsibilities of the cardholder, the approving official and the finance office in the reconciliation process.

Topic G - Procurement Ethics and Standards of Conduct

Describe in general terms restrictions placed on the actions of Government personnel.

Topic H - Card Security

Understand the procedures and guidance to follow when a credit card is lost, stolen, or compromised, violations and liability of government related purchases.

APPENDIX B

CREDIT CARD TRANSACTION REQUEST FORM

CREDIT CARD OFFICE USE ONLY

COMPANY NUMBER _____ ACO ACCOUNT NUMBER _____

DEPT/AGENCY _____ ACO TELE NO 254- _____

ADDRESS LINE 1 _____ ZIP CODE 76544- _____

ADDRESS LINE 2 _____

(office symbol)

Date

MEMORANDUM THRU Comptroller and/or ACofS RM

FOR Directorate of Contracting, ATTN: Purchase Card Program Coordinator

SUBJECT: Government Credit Card Action

1. Request the following purchase card action(s) be completed as follows:

a. APPROVING CERTIFYING OFFICIAL (ACO) - Check the appropriate action -

____ ACO Change ____ New ACO Set-up ____ ACO Office Limit Change

b. CREDIT CARDHOLDER (CCH) - Check the appropriate action -

____ New CCH Set-up ____ Change in Limits ____ Cancellation

(1) _____
ACO FULL NAME Unit/Activity Designation (required for all actions)

(2) _____
CCH FULL NAME (required for all CCH actions)

(3) _____
GOVERNMENT STREET MAILING ADDRESS IAW DOIM Memo dated Dec 97, to include zip code extension (required for replacement and new actions)

(4) ACO WORK TELEPHONE NUMBER _____ (required for all actions)

CCH WORK TELEPHONE NUMBER _____ (required for all actions)

(5) TRAINING DATE REQUESTED _____ (required for ACO replacement, new ACO, and new CCH set up)

(6) a. ACO OFFICE LIMIT \$ _____ (required for changes and new set-ups)

b. CCH SINGLE PURCHASE LIMIT \$ _____ (max is \$2500)

CCH MONTHLY PURCHASE LIMIT \$ _____

c. Accounting code: 21*2020 0000 762041 26RB IMPAC _____
41 0000 41093

(7) PROCUREMENT CATEGORY: _____EXPENDABLE____NONEXPENDABLE____SERVICE
(check appropriate categories)

(8) NAME OF ACO BEING REPLACED _____
(required for replacements only)

c. *ALTERNATE ACO FOR: _____
(name of the primary ACO)

(1) _____
FULL NAME of alternate

(2) a. TRAINING DATE REQUESTED _____ OR

b. DATE TRAINED _____

*An Alternate ACO shall be established for all ACO's to ensure certification and payment of billing account statements.

d. CARDHOLDER TRANSFER - (Transfers are only made on the 24th of each month)

(1) _____
FULL Name

(2) _____
NEW UNIT STREET ADDRESS

(3) WORK TELEPHONE NUMBER _____

(4) TRANSFER FROM ACO _____
FULL NAME OF PRIMARY ACO

(5) TRANSFER TO ACO _____
FULL NAME OF PRIMARY ACO

2. POC: _____
(Name and telephone number)

ACO
(Signature Block)

APPENDIX C

APPROVAL CONTACTS FOR REGULATED PURCHASES

Directorate of Contracting:

Director of Contracting	287-0038	Robert Kendrick III
Agency / Organization Program Coordinator	287-5340	Patsy Autmon
Dispute Officer/Alternate AOPC	287-5340/5067	Joanne Smonko
ADPE CAPRS Preparation	287-8274	John Sammis
ADPE Funds Non-Tactical	287-3514	DOIM RM
ADPE Maintenance Approval	287-7312	DOIM HELP DESK
ADPE Funds Tactical	288-7768	Beverly Pedley
Cellular Phones	287-3514	DOIM RM
Civilian Training	288-2058	Richard Ovens
Directorate of Public Works (DPW)	288-5200	Dwayne Jackson
Directorate of Public Works (Environmental)	288-7627	Randy Doyle (HAZMAT)
Directorate of Public Works (Lumber)	287-1064	Ken Bernhard
Directorate of Public Works (Real Property)	287-2801	Brenda Henderson
Directorate of Logistics (DOL), Maint Div	287-2890	Larry D. Martin
Directorate of Logistics Trans Div (FEDEX)	287-2225	
Installation Property Book Office	287-3490	John Cox
Lease of Chemical Latrines	287-8393	Chip Burnett
Lease of Vehicles	287-2225	Bob Chadwick
(Coordinate with TMP - Final approval from Garrison Commander)		
Defense Printing Services Liaison	287-0040	Ms. Daniels
TSC (Audio/Visual Eq)	287-5669	Skip Cornutt
Unit guidons, flags, battle streamers (SSA - Philadelphia, PA)	DSN 444-2519	Ms. Bolden

APPENDIX D

FHT Form 715-X5 Instructions

1. Enter page number.
2. Enter APC (Account Processing Code). To be provided by the budget analyst / clerk. Separate FHT Form 715-X5 for each APC.
3. Enter document reference number. The number will consist of the DODAAC, Julian Date (which will always be the 23rd day of the month of the working billing cycle), and the first four letters of the CCH's last name.
4. Enter DODAAC.
5. Item # . Self explanatory.
6. Unit Control # or Document # for Nonexpendable Item. For Nonexpendables, document register number assigned by supporting Property Book Office can be entered in place of your user control number.
7. Quantity. Enter quantity of items.
8. Unit of Issue – IAW
8. Item Cost. Enter the cost of item (s).
- 9.
10. Description. Enter brief description of item(s) (i.e. Office Supplies).
11. HR#. Applicable for Nonexpendable transactions only. Entry made by supporting PBO.
12. Initials of the AO, BO, or HRH (Hand Receipt Holder). AO initial indicates authorization to buy. BO initial indicates funding is available. HRH initial indicates procurement of accountable item is authorized and method of capturing accountability is in place. Form can be turned sideways if full signature is required vs initials.
- 13.
14. PIN Number. Not used.
15. Credit Card Holder Information. Self explanatory.
16. FHT Form 715-X5 (Reverse). Continuation.

Notes:

- Transactions involving expendable, nonexpendable, and services can be placed on the same FHT Form 715-X5.

APPENDIX E

— Sample Cardholder Statement —

CARDHOLDER STATEMENT OF ACCOUNT

IMPAC Card Services

(A)

JAMIE BURTON
GSA
2000 INDEPENDENCE HWY
WASHINGTON, DC 20230-0000

(B)

Cardholder Number

4716-3023-1100-3317

(C)

MESSAGES:

Area for messages, currently blank.

(D)

ACCOUNTING CODE:

CUSTOMER SERVICE CALL		CARDHOLDER NUMBER	ACCOUNT SUMMARY		
"TOLL FREE"		4716-3023-1100-3317	Purchases and		
1-888-99-IMPAC		Ⓔ STATEMENT DATE	Other Charges	2,097.76	
(1-888-994-6722)			Checks	0.00	
Ⓕ BILLING OFFICE ACCOUNT NUMBER: 4716-3045-5550-3269 BILLING OFFICE CONTACT AND ADDRESS: MONA TYLER Ⓖ GENERAL SERVICES ADMINISTRATION P.O. BOX 17735 WASHINGTON, DC 20005			Check Fee	0.00	
			Total Balance in Dispute	0.00	
			Credits	0.00	
		STATEMENT TOTAL		2,097.76	
				Total in Dispute	340.00
				30 Day Credit Limit	5,000.00

JAMIE BURTON
GSA
2000 INDEPENDENCE HWY
WASHINGTON, DC 20230-0000

STATEMENT DATE: 05/15/96

(J)	(K)	(L)	(M)	(N)	(O)	(P)	
TRAN	DATE	MONTHLY ACTIVITY DESCRIPTION	MCC CODE	REF#	POSTING DATE	AUTH CODE	AMOUNT
	12-20	CORPORATE EXPRESS OF THE BALTIMORE MD	5943	998044	12-23	567345	23.89

(Q) Description:

12-23	ANICOM INC MT PROSPECT IL	5969	956155	12-30	429865	84.90
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Description:

01-09	LOWE'S#420NEWPORT NEWS VA	5211	121850	01-10	123987	17.25
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Description:

01-13	NORTH SUPPLY COMPANY NEW CENTURY KS	5999	949628	01-14	3754298	139.90
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Description:

01-10	NORFOLK WIRE & ELECTRONICS NEWPORT NEWS VA	5045	118620	01-15	947566	251.88
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Description:

01-08	CORPORATE EXPRESS OF THE BALTIMORE MD	5943	998071	01-15	118869	370.00
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Description:

01-13	CORTELCO CORINTH MS	4812	010037	01-15	67453	415.74
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Description:

01-14	NORTH SUPPLY COMPANY NEW CENTURY KS	5999	944944	01-16	432760	4.20
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Description:

01-14	NORFOLK WIRE & ELECTRONICS NEWPORT NEWS VA	5045	117662	01-17	90317	310.00
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Description:

01-18	DEPOSIT TRUCKING DEPOSIT NY NEWPORT NEWS VA	5045	117670	01-19	763451	480.00
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Description:

(R)

TOTAL	2,097.76
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Reviewed By

Date

APPENDIX F

Cardholder Statement Explanation

A. Cardholder

Your name as it appears on your card, along with your agency name and office address.

B. Cardholder Number

The account number on your card or account.

C. Statement Message

Your agency, GSA, or I.M.P.A.C. Card Services may record important program information here.

D. Master Accounting Code

The Master Accounting Code assigned in your Delegation of Authority letter if applicable. All purchases will automatically be associated with this service.

E. Statement Date

I.M.P.A.C. Card Services will send your Cardholder Statement at the same time each month.

F. Billing Office Account No.

The account number assigned to your Billing Office.

G. Billing Office

The name and address of your Billing Official.

H. Total in Dispute

The net total dollar amount of transactions in dispute.

I. 30-Day Limit

This is the limit available for purchases in one 30-day period. The 30-day period from cycle to cycle.

J. Transaction Date

The date of your purchase. This date should match the date on the sales receipt provided by the supplier.

K. Activity Description

The supplier's name, city and state.

L. MCC Code-

The Merchant Category Classification (MCC Code) assigned by the supplier's processing bank and used by the VISA system to identify the type of supplier or product sold.

M. Reference No.

A six-digit number used internally by I.M.P.A.C. Card Services to record the transaction.

N. Posting Date

The date I.M.P.A.C. Card Services received and processed the transactions posted to the account.

O. Authorization Code

The authorization code is a reference number that is provided to the supplier through VISA Authorization network at the point-of-sale to confirm that the purchase is approved. This code appears on your copy of the sales draft.

P. Amount

The amount of each purchase as shown on your copy of the sales draft.

Q. Description

If required by your agency, complete this area by writing in the number and description of item(s) purchased. Stock or invoice numbers are not required. Example: (4) lbs. names; (1) each screwdriver, hamme

R. Statement Total

The net total dollar amount of current month activity..

*MCC Code replaces the term SIC Format

APPENDIX G

SEND BILLING INQUIRIES TO:

IMPAC Card Services
P.O. BOX 6347
FARGO, ND 58125-6347

STATEMENT PROCESSING STEPS:

1. DATE STAMP THE DAY RECEIVED
2. RECONCILE TO CCH PURCHASES
3. SIGN AND DATE THE CERTIFICATION STATEMENT ON THE BACK OF EACH PAGE OF THE BAS
4. SEND TO PAYING OFFICIAL (COMPTROLLER/RESOURCE MGR OR DFAS OPOC).

NOTE: DATE STAMP MUST REFLECT THE DATE THE BAS WAS RECEIVED BY THE ACO. STAMP EACH PAGE.

RECEIVED 3 FEB 1997

STATEMENT CLOSING DATE
JANUARY 20, 1997

~PAYMENT DUE IN ACCORDANCE WITH THE 1996 PROMPT PAYMENT ACT ~

IMPORTANT TIP #1: DISPUTES

- A. CONTACT VENDOR IF THERE IS A PROBLEM WITH A PURCHASE AS IT APPEARS ON THE SOA. OBTAIN A CREDIT FROM VENDOR FOR ANY OVERCHARGES.
- B. PAY THE ENTIRE AMOUNT DUE, INCLUDING DISPUTED AMOUNTS.
- C. IF THE CREDIT DOESN'T APPEAR ON THE FOLLOWING MONTH'S SOA FAX THE CSQI FORM TO THE BANK. Fax # 701-461-3466. INCLUDE RECEIPTS, CREDIT SLIP, AND COPY OF THE BAS.
- D. DO NOT SEND THE CSQI TO DFAS
- E. DO NOT DISPUTE TAX OR SHIPPING CHARGES USING A CSQI. CCH MUST RESOLVE WITH VENDOR FOR THESE

\$21,693.09**

~AMOUNT PAID~

\$ _____

ANNOTATE CURRENT BILLING AMT

BILLING STATEMENT

BILLING ACCOUNT NUMBER

47163045555XXXXX

IMPORTANT TIP #2: NON RECEIPT OF BILLING ACCOUNT STATEMENT (BAS):

- A. IF ACO DOES NOT RECEIVE A BAS FROM THE BANK, A FAX COPY CAN BE REQUESTED ON THE 10TH BUSINESS DAY FOLLOWING THE END OF THE BILLING CYCLE (23D DAY OF MONTH). CALL CUSTOMER SVC 1-888-994-6722.
- B. DFAS WILL ACCEPT A FAX COPY OF BAS IF IT CONTAINS THE FOLLOWING STATEMENT:
 1. "CERTIFIED ORIGINAL" (TYPED, PRINTED, OR STAMPED)
 2. ACO'S ORIGINAL SIGNATURE
 3. STAMPED DATE OF RECEIPT.
- C. ACOMUST ALSO CERTIFY FOR PAYMENT BY SIGNING

PREVIOUS BALANCE

38,224.91

PURCHASES AND OTHER CHARGES

10,806.18

PAYMENTS

26,848.00 CR

SELF ASSESSED INTEREST PENALTY

30.45

CURRENT BILLING ACTIVITY

10,316.18

CHECKS

.00

ACCOUNT BALANCE

21,693.09

CHECK FEE

.00

CREDITS

520.45 CR

CURRENT BILLING ACTIVITY

10,316.18

IMPORTANT TIP #3: ACCOUNT BALANCE

- A. THE ACCOUNT BALANCE WILL USUALLY NOT REFLECT LAST MONTHS PAYMENT.
- B. PAY CURRENT BILLING ACTIVITY AMOUNT IN FULL.

REMIT TO:

IMPAC Card Services
P.O. BOX 6313
FARGO, ND 58125-6313

MONA TYLER

GENERAL SERVICES ADMINISTRATION
P.O. BOX 17735
WASHINGTON, DC 20005

** If payment towards previous balance has been made, please deduct from payment due.

**SAMPLE APPROVING CERTIFYING OFFICIAL BILLING ACCOUNT
STATEMENT**

BILLING ACCOUNT STATEMENT

IMPORTANT TIP #4: FUND CITES ON ALL ACCOUNTS SHOULD BE IDENTICAL. THIS WILL PRECLUDE ACO'S UNIT PAYING PROCESSING FEES TO DFAS.

P/D	T/D	DESCRIPTION	CITY	ST	AMOUNT
12/21		PAYMENT RECEIVED			26,848.80 CR
12/21		INT PENALTY PAYMENT			30.45 CR
*****		REGIONAL OFFICE	4716304555504##		26,848.80 CR
*****		ACCOUNTING CODE	21*2020000076204126RBIMPAC912745CMJNF7041000041093		
12/23	12/20	CORPORATE EXPRESS	BALTIMOR	MD	23.89
01/10	01/09	LOWE'S #420	NEWPORT NEWS	VA	17.25
01/15	01/10	NORFOLK WIRE & ELECTRONICS	NEWPORT NEWS	VA	251.88
01/15	01/13	CORTELCO	CORINTH	MS	415.74
01/17	01/14	NORFOLK WIRE & ELECTRONICS	NEWPORT NEWS	VA	310.00
*****		BURTON JAMIE	471630231100F###		2,097.76
12/20	12/18	B BRAUN MEDICAL INC	BETHLEHEM	PA	490.00 CR
12/25	12/22	HOLLISTER INCORPORATED	LIBERTYVILLE	IL	142.40
01/04	01/02	ALMED, INC	617-3292900	MA	24.57
01/09	12/27	MOORE MEDICAL CORP	NEW BRITAIN	CT	59.72
01/16	01/14	WILSON OPTHALMIC CORP	405-376-9114	OK	622.79
*****		BORUCKI JOHN	4716300744618##		
*****		ACCOUNTING CODE	21*2020000076204126RBIMPCA912745CMJNF7041000041093		
12/24	12/20	BERGEN BRUNSWIG DRUG CO	GLEN ALLEN	VA	528.47
01/02	01/14	BERGEN BRUNSWIG DRUG CO	GLEN ALLEN	VA	417.51
*****		MELKA CHARLES	47163041231F###		
*****		ACCOUNTING CODE			
01/04	12/26	OFFICE PLUS, INC	HOPEWELL	VA	24.95
*****		VOGL RICHARD W	471630722070F###		24.95
*****		ACCOUNTING CODE			
12/20	12/13	WAL-MART	NEWPORT NEWS	VA	83.55
12/20	12/14	KOCH SUPPLIES INC	KANSAS CITY	MO	872.80
12/20	12/18	LOWE'S #420	NEWPORT NEWS	VA	97.95
12/24	12/20	BEST LOCKING SYS OF RICHM	MECHANICSVILLE	VA	190.36
01/04	01/02	STONEY CREEK CONSTRUCTION	GLOUCESTER	VA	570.70
01/09	01/06	GREAT EVENTS PUBLISHING	FLAIVIEW	NY	209.85
01/16	01/12	ELECTRONIC INSTRUMENT CO	COMMERCE	CA	95.35
*****		MURCH GLEN J	471630826822F###		1,246.70
*****		ACCOUNTING CODE			
		DEPARTMENT TOTALS FOR	00000		16,531.82 CR
		DIVISION TOTALS FOR	00000		16,531.82 CR

P/D	T/D	DESCRIPTION	CITY	ST	AMOUNT
12/21		SELF ASSESSED INT PLTY			30.45
12/30	12/23	ANICOME INC	PROSPECT	IL	84.90
01/14	01/13	NORTH SUPPLY COMPANY	NEW CENTURY	KS	139.90
01/15	01/08	CORPORATE EXPRESS	BALTIMORE	MD	370.00
01/16	01/14	NORTH SUPPLY COMPANY	NEW CENTURY	KS	4.20
01/19	01/18	NORFOLK WIRE & ELECTRONICS	NEWPORT NEWS	VA	480.00
12/24	12/20	JOHNSON & JOHNSON	800-2552500	NJ	675.98
12/28	12/26	TECHTRONIC INC	BROOKVIEW	IL	17.90
01/09	01/05	BLEDSE BRACE SYSTEMS	GRAND PRAIRIE	TX	936.00
01/12	01/10	ST JOHN COMPANIES	VALENCIA	CA	408.50
01/02	02/05	PHARMCO PRODUCTS	BROOKFIELD	CT	141.20
12/19	12/16	DI'INSIGHT DIRECT	800-3773000	AZ	79.00
12/20	12/17	ECK SUPPLY COMPANY	NEWPORT NEWS	VA	378.00
12/20	12/18	COMPRESSED GAS SERVS INC	RALEIGH	NC	1750.00
12/25	12/22	ELECTRICAL SUPPLIES INC	NEWPORT NEWS	VA	43.12
01/05	01/03	GTSI	CHANTILLY	VA	16.46
01/11	01/09	STEPHENS OFFICE SUPPLY	POQUOSON	VA	41.14
01/16	01/10	HEWLETT PACKARD COM	UPLAND	CA	179.94

IMPORTANT TIP #5: FUND CITES SHOULD APPEAR IN THE APPROXIMATE FORMAT PICTURED ON THIS SAMPLE. FUND CITE CORRECTIONS SHOULD BE PROCESSED THRU YOUR COMPTROLLER/RM OFFICE TO THE CREDIT CARD OFFICE IN ORDER TO CORRECT MISTAKES/MAKE CHANGES. ACO'S SHOULD WRITE THE CORRECT FUND CITE ON EACH MONTHLY STATEMENT UNTIL THE CHANGE TAKES EFFECT AT THE BANK. PAYMENT CANNOT BE MADE IF THE FUNDING INFO IS NOT CORRECT.

IMPORTANT TIP #6: PAYING OFFICER AND/OR DFAS WILL RETURN BAS TO YOU UNPAID FOR THE FOLLOWING DEFICIENCIES:

1. NO AMOUNT ANNOTATED IN THE "AMOUNT PAID" SPACE ON THE FIRST PAGE OF THE BAS.
2. INVALID ACCOUNTING CODES, E.G., INCORRECT APC, FISCAL YEAR MISSING, ETC.
3. NO SIGNATURE ON THE BAS
4. DFAS ACCEPTS ONLY ORIGINAL OR CERTIFIED ORIGINAL

Plain Language Responsibilities: Purchase Card Certifying Officer

I certify on 3/16/97 that the purchase and amounts shown documented on this statement:

1. Are correct and were required to fulfill immediate mission requirements of my organization.
2. Do not exceed spending limits approved by the Resource Manager.
3. Are not for my personal use or the personal use of the receiving individual.
4. Are not for items that have been specifically prohibited by my organization or by statute (ex: rents, real estate, transportation and travel, telecommunications).
5. Are not part of a system or larger purchase exceeding \$100,000 in value.
6. Have not been split into smaller segments to stay under the micro purchase limit (\$2,500).

In making this certification, I understand that I will be responsible for repaying my organization for any purchases that do not meet the above requirements as determined by later audit and/or reconciliation. I also understand that the disbursing officer will charge for late interest payment penalties.

Mona Tyler

Signature

APPENDIX H

SAMPLE

MEMORANDUM FOR Distribution, Your Organization's Name and Address

SUBJECT: LOI for IMPAC Credit Card Purchases

1. **PURPOSE.** To establish internal procedures to purchase supplies/services required for the mission of (your organization) in accordance with the III Corps and Fort Hood Standing Operating Procedures (SOP) and all Army Regulations pertaining to simplified acquisition procedures.

2. **REFERENCES:**

a. Federal Acquisition Regulations, Parts 8, 13, and 19

b. III Corps and Fort Hood SOP, dated_____.

3. **PROCEDURES.**

a. Upon written request from (whoever would be the supervisor), the Directorate of Contracting Credit Card Program Manager will schedule credit card training for (your organization) personnel.

b. The (your organization) will adhere to all procedures and regulations outlined in the above references.

c. Upon request for supplies from_____, the cardholder will determine the source of the purchase utilizing simplified acquisition procedures and regulations.

d. IAW SOP, the cardholder will require the following information from the vendor:

e. IAW SOP, the cardholder will furnish the following information to the vendor:

f. Cardholder(s) will be authorized to place calls for credit card orders not to exceed_____per order and _____per day. The monthly ceiling amount for each cardholder for this organization shall be_____.

g. IAW SOP, the FH Form 715-X5 will be completed on the first day of the Bankcard cycle (24th of each month) with the following information:

h. IAW SOP, the cardholder(s) and approving official will reconcile, sign and forward appropriate documents within the assigned time constraints.

i. IAW SOP, documentation will be maintained within (your organization) for three years.

j. In order to procure nonexpendable supplies the following guidelines should be followed: Internal guidance verifying that procedures are in place for property book accountability shall be established before nonexpendable authority will be approved. Internal procedures for nonexpendable authority should include as a minimum the following steps: (1) If required complete a DA Form 3161 and attach to the FHT Form 715-X5; (2) process to AO for approval of purchase; (3) process through the appropriate PBO (whether installation, organizational, or TSC) for local purchase approval and receipt of document register number; if approved by the preceeding (by signature/initials), proceed to the next step; (4) procure item using proper procedures; (5) process item and/or paperwork back through appropriate PBO to ensure item(s) are picked up on property book either on the date of purchase or the first working day thereafter.

THE MOST IMPORTANT FACTORS IN THE LOI IS WHO DOES WHAT AND WHEN.

APPENDIX I

Management Control Evaluation Checklist

D-1. Function. The function covered by this checklist is the administration of the Purchase Card Program.

D-2. Purpose. The purpose of this checklist is to assist Commanders and managers in evaluating the key management controls outlined below. It is not intended to cover all controls.

D-3. Instructions. Answers must be based on the actual testing of key management controls (e. g., document analysis, direct observation, sampling, simulation, other). Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation. These key management controls must be formally evaluated at least once every five years. Certification that this evaluation has been conducted must be accomplished on DA Form 11-2-R (Management Control Evaluation Certification Statement).

D-4. Test Questions.

a. Are Card holders, approving officials and certifying officers nominated by the chain of command to the Agency Program Coordinator?

b. Is there a separation of duties between card holders, approving officials, PBOs and hand receipt holders. For example, prohibited relationships could include be not be limited to: a Card holder cannot be PBO or hand receipt holder, an Approving Official cannot be hand receipt holder, a Certifying Official cannot be card holder and/or accountable officer, or a single individual cannot buy, receive and certify fund availability for purchases.

c. Has the installation/activity Resource Manager established a funding cite for each Purchase Card?

d. Has the installation/activity Resource Manager approved monthly purchase limits for Card holders and Approving Officials?

e. Have adequate funds been committed up-front for each Card holder?

f. Have Card holders checked mandatory sources of supply before making purchases?

g. Have Card holders reconciled monthly statement of accounts and forwarded to Approving Officials within 5 work days after the closing date on the account?

h. Have Approving Officials forwarded monthly statement of accounts to the Finance Offices by the 10th work day after the closing date on the account?

i. Have Card holders, Approving Officials and Certifying Officers attended standard Army training on IMPAC procedures before accounts are activated?

j. Does the invoice agree with the certified monthly statement of accounts?

k. Does the Finance and Accounting Office make timely payments to Rocky Mountain Bank?

D-5. Comments: Help to make this a better tool for evaluating management controls. Submit comments to: ATTN SFFM-FCL, 109 ARMY PENTAGON, WASHINGTON DC 20310-0109.

APPENDIX J

GOVERNMENT PURCHASE CARD PROGRAM

AUDIT PROGRAM

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AUDIT OF INTERNATIONAL MERCHANT PURCHASE AUTHORIZATION CARD

AUDIT PROGRAM

PART I - INTRODUCTION

PURPOSE:

To provide Internal Review (IR) Offices background and recommended audit steps to use during audits of the Government Purchase Card Program, currently known as the International Merchant Purchase Authorization Card (IMPAC). Internal Review Offices should use this program, subject to any modifications the local commander deems necessary, during audits of IMPAC.

SOURCES:

1. Federal Acquisition Regulation (FAR), Part 13.
2. Army FAR, Part 13.
3. Army Regulation 710-2, Inventory Management Supply Policy Below the Wholesale Level.

4. Army Regulation 11-2, Management Control.
5. Army Regulation 215-4, Non-Appropriated Fund Contracting.
6. Defense Finance and Accounting Service Indianapolis Center Regulation (DFAS-IN 37-1). Include all current Accounts Payable Policy Messages.
7. General Service Administration (GSA)'s Government-wide Commercial Credit Card Service, Contract Guide GS-23F-94031, Oct. 1995.
8. Army Regulation 420-18
9. Army Regulation 735-5
10. Army Regulation 725-50
11. Deputy Assistant Secretary of the Army (Financial Operations) Policy Letter, Subject: Funding and Obligation Instructions for Micropurchases Using the International Merchant Purchase Authorization Card (IMPAC), dated 16 September 1996.
12. Office of the Under Secretary of Defense Comptroller, Subject: Purchase Card Reengineering Implementation Memorandums

#1: <u>Certifying Office Guidance</u>	Oct. 17, 1996
#3: <u>Streamlined Financial Management Procedures.</u>	Mar. 27, 1997
#4: <u>Use of IMPAC for Transactions with DAPS.</u>	May 5, 1997
#5: <u>Accommodation Checks.</u>	Aug. 5, 1997
13. Deputy Assistant Secretary of the Army (Financial Operations) Policy Letter, Subject: OUSD(C) Purchase Card Memorandum Number 5 – Accommodations Checks, dated February 4, 1998.
14. Assistant Secretary of the Army (Research, Development and Acquisition) Memorandum, Subject: Reporting Purchase Card Fraud, dated September 3, 1997.
15. Deputy Assistant Secretary of the Army (Financial Operations) Memorandum, Subject: Reduction in Detail Information Included in Information Technology Budget Submissions, dated May 13, 1997.

OVERALL OBJECTIVE: The overall objective of the audit is to ensure proper management controls are maintained over the authorization and use of IMPAC and the supplies, services and materials procured with it.

SCOPE: Internal Review Offices should determine the audit scope, sample size, and audit standards required based upon the type of audit or service to be performed, i.e., full scope, quick response, or consulting service.

BACKGROUND: The IMPAC is a government-wide commercial credit card that non-procurement personnel may use as a purchase and payment instrument for micro purchases (\$2,500 and less; \$2,000 for construction) of approved supplies and services. It is applicable to both appropriated and non-appropriated funds. Using the purchase card in lieu of purchase orders saves the Army approximately \$93 in direct labor costs for each order processed. To encourage maximum use of the card, the Army Chief of Staff (CoS) established a goal that 90 percent of all micro purchases be made using the IMPAC.

Procurement personnel with appropriate training and experience may be authorized to use the card up to **\$999,900** for payment purposes when all statutory and regulatory requirements are met.

The card streamlines the purchase and payment process for small dollar value and commercial items. The card has built-in safeguards and management controls to minimize misuse. The safeguards include a monthly and single purchase dollar cap assigned to the card. There is also a safeguard that allows purchase restrictions to certain vendors via use of merchant activity codes blocks encoded in the card.

Before an activity can locally procure supplies and services, it must determine if it can acquire them through the sources listed in Part 8 of the FAR. The sources include, in order of preference; local inventories, Federal Prison Industries, National Industries for the Blind and Severely Handicapped, and National Inventories. Cardholders shall keep records of all transactions, to include: who the purchase is for; date of order; vendor name; price paid; and when received.

Each month, the bank will send a Billing Statement directly to the card holder. The card holder must reconcile the statement with the receipts (kept on file) and forward the statement to the approving official for review against the official Billing Statement. The Approving Official will certify the Billing Statement, then forward the certified statement to the Finance Office for payment. The Approving Official will retain the original cardholder Statements of Account and a copy of the certified Billing Statement for a period of three years.

PART II - PREPARATION FOR AUDIT:

1. Obtain and Review:

- Government-wide Commercial Credit Card Service Contract Guide, GS-23F-94031, Oct 95, published by GSA.
 - DFAS-IN 37-1, Chap 20.
 - Local Directorate of Contracting policy.
 - Government-wide Purchase Card Program Army Update Training Guide (copy available through the Agency Program Coordinator).
- ### **2. Contact IG, SJA, CID for information applicable to IMPAC.**
- ### **3. Determine if the Command Supply Discipline Program includes evaluations of IMPAC purchases.**
- ### **4. Contact your Management Control Administrator to determine if any material weaknesses were reported, past evaluations performed, and future evaluations planned.**

PART III - AUDIT OBJECTIVES AND STEPS:

- ### **1. Objective:** To determine the adequacy of administrative oversight procedures.

<u>Audit Steps:</u>	<u>Auditor W/P</u>	<u>Initial</u>
a. Determine who decides the number of cards needed, designated cardholders, and designated approving officials		
b. Determine who establishes credit card limitations for each cardholder (single purchase and monthly) and if they have been coordinated with the Resource Manager.		
c. Determine if cardholders received at least four (4) hours of training.		

- d. Determine who is designated as the agency program coordinator to function as the primary liaison with the credit card contractor.
- e. Determine if management information reports (available from First Bank) are used to evaluate card usage.
- f. Determine if property book officers have issued hand receipts for non-expendable pilferable and/or sensitive property purchased with the card.
- g. Determine adequacy of procedures to retrieve cards when personnel are reassigned or leave the work force.

Audit Steps:

Auditor W/P

Initial

- h. Determine the adequacy of procedures to safeguard cards and account numbers.
- i. Determine controls established to report lost or stolen IMPAC cards.
- j. Determine if disputed charges and billing errors are:
 - paid in accordance with "delayed dispute" procedures
 - resolved with all parties involved.
 - are credited on a future billing.
- k. Determine if the organization is monitoring use of the card to meet the Army CofS goal that 90 percent of all micro purchases be made using the IMPAC card.
- I. Determine if relationships between card holders, approving officials, certifying officers, and hand receipt holders represent conflicts of interest.
- J. Determine if Resource Managers post bulk obligations or commitments for card purchases as described in the DASA(FO) 16 September 1996 Memorandum.

2. **Objective:** Determine if credit card holders are making authorized purchases and properly accounting for all items received.

Audit Steps:**Auditor W/P****Initial**

- a. Determine if cardholders satisfy requirements for supplies and services through order preference as listed in the GSA contract guide, pages 9 and 10.
- b. Determine if local procedures for making purchases are more restrictive than procedures recommended by DA and / or DOD and why.
- c. Determine if other purchase methods for items under \$2,500 are used instead of the IMPAC and if so why.
- d. Determine if local purchases comply with regulatory guidance and local operating procedures.
- e. Determine if card holders maintain records of purchases.
- f. Determine if cardholders reconcile the statement of account each month
- g. Determine if non-expendable items purchased are physically on-hand. This can be accomplished
by taking a sample of card holder receipts and verifying the items are present.
- h. Determine if there is an audit trail that includes item receipts and detailed invoices to support purchases.

Audit Steps:**Auditor W/P****Initial**

- i. Determine if items purchased were shipped within 30 days. Cardholders are responsible for informing the vendor that charges for items can only be placed on the card when shipped.
- j. Determine if cardholders inform the merchant not to display card numbers on packing slips when purchases are made by telephone.
- k. Determine if cardholders used split purchases to avoid single purchase limits. (\$2500 for supplies and services; \$2000 for construction.)

l. Determine if purchases include state or local taxes. Official government purchases are not subject to these taxes in most locations.

m. Determine if cardholders are familiar with procedures to follow in case their card is lost or stolen.

n. Determine if card holders maintain an accurate record of unresolved disputed purchases.

3. **Objective:** Determine if approving officials adequately review, approve, and certify for payment items purchased by cardholders.

Audit Steps:

Auditor W/P

Initial

a. Determine if approving officials maintain and are familiar with regulatory and local guidance concerning IMPAC cards.

b. Determine if approving official has been delegated certification authority and that the appropriate signature card is on file at the paying office.

c. Determine if approving officials are verifying, approving, and certifying monthly purchases made by the card holders.

d. Determine if procedures are in place and used to resolve improper uses of cards.

e. Determine if procedures are in place and used to transfer cardholders from one Approving Official to another Approving Official if necessary.

f. Determine if approving officials check to see if hand receipts have been issued for accountable property.

f. Determine if approving officials stamp the date of receipt on the official Billing Statement.

g. Determine if approving officials are maintaining the original card holder Statements of Account and a copy of the certified Billing Statement for three years.

Audit Steps:

Auditor W/P

Initial

h. Determine how certified Billing Statements

are forwarded to the Finance Office to ensure timely payment (15 calendar days after receipt).

i. Determine effect of late payments, if any.

j. Determine if procedures are in-place to ensure timely reconciliation and payment of bills during periods of mobilization.

4. **Objective:** Evaluate the effectiveness of the paying office

Audit Steps:

Auditor W/P

Initial

a. Determine if paying office date stamps receiving date of certified Billing Statement from approving official.

b. Determine if paying office receives certified invoice within 15 calendar days of statement date.

c. Determine how paying office calculates prompt payment interest due.

d. Verify that paying office notifies the bank of official billing statement receipt date.

e. Verify that activity has provided a prompt pay interest fund cite for each approving official.

f. Verify that the paying office made payment within the Prompt Payment Act window (23-30 days from date of receipt by approving official).

Note: Guidance is pending on OMB policy that allows for payment of Purchase card bills upon receipt at the paying office.

5. **Objective:** Evaluate the implementation of the Management Control Process as it relates to IMPAC.

Audit Steps:

Auditor W/P

Initial

a. Review the Army Inventory of Functions Requiring Management Control Evaluations to determine if the audited area is included.

b. Review the 5-year plan to determine whether the audited area is included.

c. Review the latest management control

evaluations made in the audited area, to determine whether controls are in place, being used as intended, and effective in achieving their purpose. Also, determine whether a DA Form 11-2-R was completed certifying the evaluation.

- d. Determine if there were weaknesses identified as a result of a management control evaluation for the audited area.
- If weaknesses were detected, were they evaluated as potential material weaknesses and reported at the appropriate command level.
 - Were material weakness corrective action milestone plans developed and tracked through completion.
 - Were they properly completed.

6. **Objective:** Evaluate administration and control of accommodation check accounts.

<u>Audit Steps:</u>	<u>Auditor W/P</u>	<u>Initial</u>
a. Review ODASA(FO) Memorandum on Accommodation Checks.		
b. Determine that the authority to have an accommodation check account was justified in writing, and signed and dated by the Commander or his / her designate.		
c. Determine that the justification: cited a recurring need that could not be fulfilled by use of the government purchase card or government travel card; an estimate of the bulk funding amount; and an estimate of the administrative cost of the account.		
d. Determine that specialized training was provided to accommodation check holders and approving officials.		
e. Determine that accommodation check accounts are bulk funded with a single accounting classification or work code as assigned by the resource manager.		
f. Determine that accommodation check accounts are established as a separate account and are not combined with active IMPAC accounts.		
g. Determine that accommodation check accounts are independently audited on a		

quarterly basis by an official designated in writing by the Commander.

g. Determine that accommodation check accounts audits verify :

- All unused checks by preprinted sequential numbers.
- Reconciliation of all check numbers used during the quarter under audit.
- Check amounts are limited to \$2500.00. *(This is a new change from OUSD(C)).*
- Purchases are not split to stay under the accommodation check limit.

h. Determine that local policies and procedures prohibit the conversion of checks to cash and the use of checks out of sequence.

PART IV - DEFINITION OF TERMS:

1. International Merchant Purchase Authorization Card. (IMPAC). The IMPAC initials will appear on the government credit card and on most forms. The contractor who will maintain all IMPAC accounts is First Bank, Inc.
2. Approving Official. (AO) The individual within a directorate or activity who may certify the Cardholder's monthly "Statement of Account" and ensure that payments are for purchases which are authorized and made in accordance with FAR and agency regulations. The Approving Official should be within the Cardholder's direct chain of command.
3. Card holder. (CH) The individual within a directorate or activity to whom a card is issued and procurement authority is delegated. The card bears the Cardholder's name and may only be used by this individual for authorized U.S. Government purchases.
4. Agency Program Coordinator. (APC) The individual in the organization responsible for administering the government-wide purchase card program. Duties include maintaining an up-to-date list of all cardholders names, addresses, account numbers and telephone numbers. This individual may determine who the approving officials and the cardholders will be.
5. Finance Office Contact. Individuals in Finance Office responsible for payment of each monthly Billing Statement after certification by an Approving Official.
6. Dispute Office Contact. Dispute office contacts (usually the APC) will coordinate, process, and monitor all disputed purchases, credit or billing errors, after efforts by the Cardholder and Approving Official have not been successful.
7. Statement of Account. (SOA) A monthly listing of all charges made by the cardholder, billed by the IMPAC merchant, First Bank Systems, Inc.
8. Certifying Officer. The person, normally the Approving Official, that certifies the official Billing Statement as appropriate for payment. This person has pecuniary liability for the correctness of the bill for payment.

PART V - UNAUTHORIZED USE:

1. The card shall not be used for the following:

- Cash advances.
 - Rental or lease of land or buildings.
 - FTS 2000 Telecommunications service.
2. The card shall not be used for the following unless individual agencies warrant such use:
- Purchase of official meals, drinks, lodging, or other travel costs. (Except where AMEX is not applicable).
 - Purchase of airline, bus, or travel related tickets (Travel Card or Central Travel Account should be used instead).
 - Purchase of gasoline, oil, or repairs for interagency fleet management vehicles (There is a fleet card available for these purchases).

PART VI - POTENTIAL PROBLEMS:

- Credit cards are not safeguarded.
- Credit card holders did not receive training.
- Potential for conflicts of interest.
- Inadequate oversight by approving officials.
- Unauthorized purchases.
- Payments made for items not received.
- Split purchases to avoid credit card limitations.
- Purchase of non-expendable pilferable or sensitive items not accounted for on property books.
- Late forwarding of approved copies of the statements to Paying Office, resulting in interest payment penalties.
- Card holders statements approved by someone other than the approving authority.
- Not taking advantage of incentives offered for early payment, electronic receipt of invoices, reports.

PART VII - SUGGESTIONS FOR IMPROVEMENT:

We envision that this guide will need to be periodically updated and revised. Please send your suggestions to:

Office of the Deputy Assistant Secretary (Financial Operations)
 ATTN: SAFM-FOI, Mr. Bob Barnhart
 109 Army Pentagon, Room 3E575
 Washington, DC 20130-0109

APPENDIX K

US Government Credit Card Review Command Inspection Program

Name: _____ Date: _____

Approving Certifying Official (ACO) / Credit Card Holder (CCH) (circle one)

Unit / Activity: _____

The purpose of this checklist is to assist Commanders and managers in evaluating the key management controls outlined below. It is not intended to cover all controls.

	Yes	No	N/A
1. Is a copy of the delegation of authority letter for the CCH / ACO and alternate on file?	_____	_____	_____
Is the individual file copy signed?	_____	_____	_____
Is there a trained/certified Alternate on line?	_____	_____	
If not, need to do so immediately.			
2. Has CCH / ACO received annual Procurement Ethics Training?	_____	_____	_____
CCH's and ACO's are "Procurement Officials" as defined under Section 27 of the Office of Federal Procurement Policy Act.			
3. Is a copy of the current DOC III Corps and Fort Hood Governmentwide Credit Card SOP on file?	_____	_____	_____
Unit/activity SOP (current)	_____	_____	_____
4. Are copies of Credit Card newsletters on file?	_____	_____	_____
5. Are monthly FHT Form 715-X5(s) maintained on file?	_____	_____	_____
6. Are monthly statements of account maintained on file?	_____	_____	_____
7. How are credit cards safeguarded. Has unit / activity security procedures been established? _____	_____	_____	_____

8. Were priority sources of supply procedures followed?	_____	_____	_____
If no, why not? _____			

US Government Credit Card Review

(Continued)

	Yes	No	N/A
9. Are MSDS sheets on file for any HAZMAT items procured?	_____	_____	_____
10. Is ACO's approval evidenced by initials on the FHT Form 715-X5 prior to each purchase?	_____	_____	_____
11. Has local purchase authority (i.e., CTA, MTOE, etc.) for items (Expendable / Services / Nonexpendables) been granted?	_____	_____	_____
12. Have any prohibited items been purchased? If so, what measures have been established to prevent occurrence. Explain in comments section of this document.	_____	_____	_____
13. Were regulated supplies / services procured? If yes, were approvals requested and received from proponent prior to procurement?	_____	_____	_____
15. Has the CCH purchased nonexpendable items as determined by the PBO?	_____	_____	_____
16. Was a fair and reasonable price determination made prior to each purchase? Competition not required for micro purchases.	_____	_____	_____
16. Does the ACO have a tracking system to ensure monthly limits and bulk funds are not exceeded?	_____	_____	_____
17. Are purchases being rotated among responsible vendors?	_____	_____	_____
18. Are supplies being purchased and received within 30 days date of order?	_____	_____	_____
19. Are purchases being split into smaller buys in order to use the Government credit card?	_____	_____	_____
20. Has an authorized individual signed for receipt of items?	_____	_____	_____
21. Was there any evidence of back-ordering?	_____	_____	_____
22. Were partial shipments being received?	_____	_____	_____

US Government Credit Card Review

(Continued)

	Yes	No	N/A
23. Does CCH have any orders older than 30 days on delivery?	_____	_____	_____
24. Was there evidence of any added fees?	_____	_____	_____
25. Has the CCH "Statement of Questioned Item" form been completed for disputed items, provided to the bank, and forwarded with the monthly statement of account to the ACO?	_____	_____	_____
26. Was follow-up done on disputes? Remarks _____ _____	_____	_____	_____
27. Were CCH Statement of Account (SOA) reconciliation's timely? ACO Billing Account Statement?	_____	_____	_____
28. Are SOAs supported by credit card receipts and invoices?	_____	_____	_____
29. Does billing account statement have the 50 digit accounting fund cite?	_____	_____	_____
30. Was sales tax charged?	_____	_____	_____
Was freight / shipping charged?	_____	_____	_____
If so, did the CCH notify contractor for a credit and was a credit received? _____	_____	_____	_____
31. Does the purchase have a good audit trail? (File should include as a minimum: written request from customer printout from AMDF / FEDLOG of local purchase authority acquisition codes for class IX reparable, sales slips and / or delivery ticket(s).	_____	_____	_____
32. Was there evidence of delegation of authority to others/misuse?	_____	_____	_____
33. Were all CCH files available for inspection period?	_____	_____	_____
34. Were departed CCH's and ACO accounts canceled with the _____ program coordinator?	_____	_____	

NOTES / COMMENTS:

Name of Reviewer: _____
Grade / Title: _____
Telephone Number: _____

